Alberta
MUNICIPAL AFFAIRS

Innovative Housing Grants Program

DEVELOPMENT OF THE SMALL CONTRACTOR MANAGEMENT SYSTEM

prepared by

Fred J. McCreath, C.A.
M.H. Financial Consultants Ltd.

INTRODUCTION

The rapid advance of microcomputer technology and software has led to the development of a variety of business management systems targeted at specific clientele. The Small Contractor Management System (SCMS) is one such system which has been specifically developed to assist home builders, home renovators and subtrades in managing their business. The Small Contractor Management System is designed around the Enable™ integrated package which includes word processing, spreadsheet, database management, business graphics and telecommunications capabilities.

OVERVIEW

The Small Contractor Management System (SCMS) is designed for use on the IBM XT* or AT* and compatible computers using the MS DOS or PC DOS operating system (version 2.0 or higher).

SCMS is built around three modules:

1) an estimating module designed to quickly prepare cost estimates, to generate proposals and contracts and to prepare cashflow analysis and job schedules;

2) a job costing and control module to compare estimated costs against actual costs; and

3) an accounting and financial reporting module which presents accounts payable and a general ledger.

The Small Contractor Management System was developed with financial assistance under the Innovative Housing Grants Program, Alberta Municipal Affairs. For more information, please contact: MH Financial Consultants Ltd., P.O. Box 5, Lantzville, B.C., VOR 2HO, Phone (604) 390-4131.

ISBN: 0-88654-169-7

HOW SCMS WORKS

Estimating Module

The estimating module has the following features:

a) Checklist/Price List

The SCMS is designed around a checklist and a price list of commonly used building materials and construction products. Both lists are designed by each user to meet these circumstances. This feature ensures that all estimates are complete and that an easy to use list of products and prices are readily available.

Cost estimates are then prepared for each proposal based on a review of the checklist and a selection of the appropriate items.

The estimating module also permits the use of user designed groups of materials (assemblies, components etc.) which speeds up the estimating process and provides details of sizes or other appropriate unit measures for each part of an assembly.

When a cost estimate is completed it can be summarized as part of a proposal and submitted to a prospective client. Different elements of the estimate can be easily changed to facilitate assessment of alternatives.

b) Contract Generation

The SCMS will produce a proposal and contract customized to each job using formats established by the user.

The software is designed to verify that the prices used in a proposal will be valid at the expiry date of the proposal.

c) Cash Planning and Scheduling

The SCMS will calculate the amount of cash required during the course of a project in 15 or 30 day intervals for up to 210 days.

In addition a job schedule can be produced which details the timing of all job elements relative to the start date.

Job Costing and Control Module

The job costing and control module has the following features:

a) Job Costing

This feature provides the ability to match quantities and costs of each individual item included in the estimate to the actual items used in the job. Costing may also be done by assemblies as designated by the user and the choice of assemblies may be changed on a job-by-job basis.

The SCMS permits the charging of labour and overhead to projects and tracking of the allocated amounts.

b) Control

The system will produce performance reports on both costs - to - completion and percentage - to - completion basis. These reports will satisfy lenders, customers and others requiring job progress reports. All these reports are available on a demand basis.

Accounting and Financial Reporting Module

The accounting and financial reporting module has the following features:

a) Accounts Payable

The SCMS includes an integrated, open item, accounts payable system which can be customized to suit user needs.

b) General Ledger

The general ledger system provides for annual summaries of source data. It is designed to produce a clear audit trail and permits the entry of data for more than one month at any particular time.

c) Financial Reporting

The reporting system includes reports which compare the current month, quarter and year to the previous year. It provides for the generation of financial statements in a word processing format so that they can be customized by the user.

HARDWARE REQUIREMENTS

In order to run the Small Contractor Management System, the following hardware is required:

- an IBM XT*, AT* or compatible microcomputer with 640 kilobytes of random access memory
- one 360 kilobyte 5 1/4" floppy disk drive
- one 10 megabyte hard disk drive (20 megabyte recommended)
- one dot matrix printer

* Trademark of International Business Machine Corporation